

**PUBLIC CHAPTER NO. 376****HOUSE BILL NO. 472****By Representatives Fitzhugh, Curtis Johnson, Dunn, Harry Brooks****Substituted for: Senate Bill No. 570****By Senators McNally, Burchett, Henry, Ketron, Woodson, Tracy, Watson,  
Crowe, Norris, Raymond Finney and Mr. Speaker Ramsey**

AN ACT to amend Tennessee Code Annotated, Title 3; Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 12; Title 16; Title 30; Title 36; Title 39; Title 40; Title 45; Title 47; Title 48; Title 49; Title 55; Title 56; Title 57; Title 61; Title 62; Title 67; Title 68; Title 69; Title 70 and Title 71, relative to governmental endeavors.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-1-602(d), is amended by deleting subdivision (1) in its entirety and by substituting instead the following:

(1) During the first year a system or school is on probation, the commissioner of education shall:

(A) Have the authority to approve a school system's allocation of financial resources to a system or school on probation;

(B) Have the authority to appoint a local community review committee to approve and monitor the school improvement plan; and

(C) Implement at least one (1) or more of the following corrective actions:

(i) Replace or reassign staff;

(ii) Mandate a new, research based curriculum;

(iii) Significantly decrease management authority at the school;

(iv) Appoint instructional consultants; and

(v) Reorganize the internal management structure.

SECTION 2. Tennessee Code Annotated, Title 49, Chapter 1, Part 6, is amended by adding the following as a new, appropriately designated section:

§49-1-6\_\_.

(a) Effective with school year 2007-2008, each school and LEA shall include in their annual school improvement plans specific goals for improvement, including, but not limited to, school performance on value added assessment and other benchmarks for student proficiency, graduation rates and ACT scores where applicable, and student attendance. School improvement plans shall also identify areas of strengths and weakness as well as strategies to improve areas of weakness, how additional funds provided through the BEP as the result of changes made in the BEP formula for school year 2007-2008 will be used to address these areas and how the LEA will measure the improvements supported by these funds. Such strategies may include, but are not limited to:

- (1) Developing school or content-based professional development;
- (2) Developing teacher induction programs;
- (3) Increasing the number of reading and math specialists;
- (4) Increasing classroom equipment and supplies;
- (5) Reducing class size;
- (6) Using targeted tutoring and remediation;
- (7) Increasing numbers of school counselors and social workers;
- (8) Providing principal professional development;
- (9) Using enhanced technology for remediation and re-testing;
- (10) Employing school attendance officers;
- (11) Reorganizing the school day instructional time; and
- (12) Implementing a standards based curriculum and associated instructional strategies.

(b) The department of education shall have the primary responsibility for collecting, evaluating, approving and monitoring system and school improvement plans. The office of education accountability shall review a sample of such plans annually and determine what actions were taken in response to the annual plans. The office of education accountability shall report the results of its review to the select oversight committee on education and the education committees of the house and senate.

SECTION 3. Tennessee Code Annotated, Section 49-2-303, is amended by deleting the third sentence in subdivision (a)(1) and by substituting instead the following sentences:

The contract shall specify duties other than those prescribed by statute and shall contain performance standards including, but not limited to, school performance on value added assessment and other benchmarks for student proficiency, graduation rates and ACT scores where applicable, and student attendance. The contract shall provide for consequences when such standards are unmet. The performance contract may provide for bonuses beyond base salary, if performance standards are met or exceeded.

SECTION 4. Tennessee Code Annotated, Section 49-2-303(b), is amended by adding the following language as a new, appropriately designated subdivision:

( ) Prepare, annually, a budget request for the school under the principal's care and submit the budget request to the director of schools. Such budget request shall set forth a plan for the cost of operation of the school for the school year beginning July 1, following, or on such date as otherwise provided by charter or act of the legislature, public or private. Upon approval of the LEA's budget, the director of schools shall assign to each principal the responsibility for and authority over the cost of operation of the principal's school.

SECTION 5. Tennessee Code Annotated, Section 49-1-302(a) , is amended by adding the following language as a new, appropriately designated subdivision:

( ) Develop guidelines for the establishment by LEAs of differentiated pay plans, including plans which offer bonuses, including performance bonuses, that are supplemental to the salary schedules required under §49-3-306. Such plans shall address additional pay for teaching subjects or teaching in schools for which LEAs have difficulty hiring and retaining highly qualified teachers. The state board of education shall develop the guidelines by December 31, 2007.

SECTION 6. Tennessee Code Annotated, Section 49-3-306, is amended by adding the following language as a new, appropriately designated subsection:

( ) Notwithstanding any other provision of this section to the contrary, an LEA shall develop, adopt and implement a differentiated pay plan under guidelines established by the state board of education and in compliance with §49-5-611 to aid in staffing hard to staff subject areas and schools and in hiring and retaining highly qualified teachers. Such plan shall be reviewed and evaluated annually to consider any change in circumstances regarding the hiring and retention of highly qualified teachers in the LEA's schools and subjects taught or any necessary revision or restructuring of the plan. No plan or revised plan shall be implemented prior to approval of such plan by the department of education. Each LEA shall implement a differentiated pay plan prior to the beginning of the 2008-2009 school year.

SECTION 7. Tennessee Code Annotated, Section 49-2-301(b), is amended by adding the following language as a appropriately designated new subdivision:

( ) Authorize each principal to make staffing decisions regarding administrative personnel for the principal's school;

SECTION 8. Tennessee Code Annotated, Section 49-1-602(f)(1), is further amended by adding the following sentence at the end of the subdivision:

If the commissioner decides not to take any of the three (3) actions above, then the commissioner shall report to the state board of education and the education committees of the senate and house of representatives the reasons that such actions were not taken.

SECTION 9. Tennessee Code Annotated, Section 49-5-108, is amended by adding the following language as an appropriately designated new subsection:

( ) The state board of education, with the assistance of the department of education and the Tennessee higher education commission, shall develop a report card or assessment on the effectiveness of teacher training programs. The state board of education shall annually evaluate performance of each institution of higher education providing an approved program of teacher training and other state board approved teacher training programs. Such assessment shall focus on the performance of each institution's graduates and shall include, but not be limited to, the following areas:

(1) Placement and retention rates;

(2) Performance on PRAXIS examinations or other tests used to identify teacher preparedness; and

(3) Teacher effect data created pursuant to § 49-1-606.

Each teacher training institution and each LEA shall report all data as requested by the state board of education that the board needs to make such an evaluation. The report card or assessment shall be issued no

later than November 1 of each year. The first report card or assessment shall be issued no later than November 1, 2008.

SECTION 10. Tennessee Code Annotated, Section 49-5-5205, is amended by deleting subsection (d) in its entirety and by substituting instead the following:

(d)

(1) The procedural rules shall include the opportunity for multiple evaluations of all teachers holding certificates other than an apprentice teacher's license. The performance of all teachers other than apprentice teachers shall be evaluated at least once every five (5) years so that between the time the certificate is issued or renewed and the certificate's expiration date the teacher is evaluated at least two (2) times and may be evaluated at more frequent intervals by the LEA using procedures and evaluation criteria promulgated by the state board of education. The scheduling of such evaluations shall be determined in accordance with the evaluation plan adopted by the LEA and approved by the state board of education.

(2) Each principal shall periodically meet with every teacher in the principal's school to provide the teacher with a written assessment of the teacher's performance and shall verbally discuss the assessment with the teacher. The performance assessment shall not require all three (3) conferences of a formal evaluation as required under subsection (b). The assessment shall identify areas of strength or weakness and propose ways to improve in areas of weakness. Such assessment shall be done at least two (2) times every five (5) years with at least one (1) year between assessments. No assessment under this subdivision shall be scheduled in any year in which an evaluation under subdivision (1) is performed. Such assessment shall be included in the teacher's personnel record.

SECTION 11. Section 3 of this act shall take effect July 1, 2007, the public welfare requiring it, and shall apply to contracts entered into on or after that date. All remaining sections of this act shall take effect July 1, 2007, the public welfare requiring it.

**PASSED: May 31, 2007**



JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES



RON RAMSEY  
SPEAKER OF THE SENATE

APPROVED this 7th day of June 2007



PHIL BREDESEN, GOVERNOR